

Tennessee Revenue Estimates
Fiscal Years 2005-06 and 2006-07

Presented to the
Tennessee State Funding Board

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FOOTNOTES FOR SCHEDULE 1

- 1) PRIVILEGE TAX COLLECTIONS ARE REDUCED BY \$32,000,000 FOR FY06 AND FY07 FOR THE EARMARKED PORTION OF THE TAX.
- 2) THE 6.75% INCREASE REFLECTS AN ESTIMATED GROWTH RATE OF 5.2% FOR MAY-JULY. THIS TAKES INTO ACCOUNT A GROWTH RATE OF APPROXIMATELY 7.3% FROM DECEMBER 05 THROUGH APRIL 06.
- 3) THE 4.6% INCREASE ASSUMES THE GROWTH IN THE SALES TAX SINCE DECEMBER 2005 WILL CONTINUE IN FY07.
- 4) THE 7.16% INCREASE RECOGNIZES A 11.1% INCREASE IN COLLECTIONS FOR THE FIRST NINE MONTHS OF FY06 AND ASSUMES A 2.6% DECREASE IN COLLECTIONS FOR MAY THROUGH JULY 06 OVER ACTUAL COLLECTIONS FOR MAY THROUGH JULY 05.
- 5) THE ESTIMATED 3.0% INCREASE ASSUMES CONTINUED GROWTH IN F&E TAXES.

**SCHEDULE SHOWING 2005-06 AND 2006-07 REVENUE ESTIMATES FOR ALL FUNDS
BY FISCAL REVIEW STAFF - ACCRUAL COLLECTIONS**

SCHEDULE 1

REVENUE SOURCE	FRC STAFF ESTIMATES FY05-06	% INC. (DEC.) OVER FY04-05	*	FRC STAFF ESTIMATES FY06-07	% INC. (DEC.) OVER FY05-06	*
SALES & USE TAX	\$6,502,556,000	6.75 ²⁾		\$6,801,674,000	4.6 ³⁾	
GASOLINE TAX	606,082,000	-0.32		606,082,000	--	
MOTOR FUEL TAX	178,554,000	2.81		180,340,000	1.0	
GASOLINE INSPECTION TAX	64,469,000	1.31		65,114,000	1.0	
MOTOR VEHICLE REG. TAX	252,699,000	3.50		260,280,000	3.0	
INCOME TAX	192,230,000	23.30		202,803,000	5.5	
PRIVILEGE TAX ¹⁾	303,544,000	14.57		315,686,000	4.0	
GROSS RECEIPTS TAX - TVA	221,188,000	2.30		227,381,000	2.8	
GROSS RECEIPTS TAX-OTHER	20,850,000	6.00		21,788,000	4.5	
BEER TAX	17,846,000	3.42		18,203,000	2.0	
ALCOHOLIC BEVERAGE TAX	38,600,000	4.00		39,565,000	2.5	
FRANCHISE & EXCISE TAX	1,470,200,000	7.16 ⁴⁾		1,514,306,000	3.0 ⁵⁾	
INHERITANCE TAX	74,128,000	-10.57		75,240,000	1.5	
TOBACCO TAX	126,500,000	4.97		125,868,000	-0.5	
MOTOR VEHICLE TITLE FEES	11,168,000	-2.00		11,503,000	3.0	
MIXED DRINK TAX	48,068,000	11.42		50,231,000	4.5	
BUSINESS TAX	121,881,000	6.30		125,842,000	3.25	
SEVERANCE TAX	1,650,000	17.41		1,716,000	4.0	
AMUSEMENT TAX	350,000	0.10		300,000	-14.3	
UNAUTHORIZED SUBSTANCE TAX	1,000,000	N/A		1,000,000	--	
TOTALS - FRC STAFF EST.	\$10,253,563,000	6.38		\$10,644,922,000	3.82	
F&A REVISED EST. FEB 2006	10,087,200,000	4.65		10,465,400,000	3.75	
EST. OVERAGE COMPARED WITH F&A EST. OF FEB 2006						
ALL FUNDS	\$166,363,000			\$179,522,000		
GENERAL FUND	\$157,853,000			\$173,807,000		

*SEE APPROPRIATE FOOTNOTE ON ATTACHED PAGE

**SCHEDULE SHOWING FISCAL REVIEW STAFF REVENUE ESTIMATES
FOR ALL FUNDS AND THE GENERAL FUND
FOR FISCAL YEAR 2005-06**

REVENUE SOURCE	ALL FUNDS	GENERAL FUND
SALES & USE TAX	\$6,502,556,000	\$6,214,493,000
GASOLINE TAX	606,082,000	11,152,000
MOTOR FUEL TAX	178,554,000	3,393,000
GASOLINE INSPECTION TAX	64,469,000	18,993,000
MOTOR VEHICLE REGISTRATION TAX	252,699,000	49,352,000
INCOME TAX	192,230,000	138,617,000
PRIVILEGE TAX	303,544,000	303,544,000
GROSS RECEIPTS TAX - TVA	221,188,000	131,474,000
GROSS RECEIPTS TAX - OTHER	20,850,000	17,727,000
BEER TAX	17,846,000	12,135,000
ALCOHOLIC BEVERAGE TAX	38,600,000	32,200,000
FRANCHISE & EXCISE TAX	1,470,200,000	1,301,300,000
INHERITANCE TAX	74,128,000	74,128,000
TOBACCO TAX	126,500,000	126,500,000
MOTOR VEHICLE TITLE FEES	11,168,000	8,468,000
MIXED DRINK TAX	48,068,000	25,875,000
BUSINESS TAX	121,881,000	121,881,000
SEVERANCE TAX	1,650,000	471,000
AMUSEMENT TAX	350,000	350,000
UNAUTHORIZED SUBSTANCE TAX	1,000,000	1,000,000
TOTAL	\$10,253,563,000	\$8,593,053,000
GENERAL FUND INCREASE OVER ACTUAL FY04-05		\$535,848,000

**SCHEDULE SHOWING FISCAL REVIEW STAFF
COMPARISON OF 2005-06 GENERAL FUND ESTIMATES**

TAX	F&A FEB '06 ESTIMATES	FRC STAFF ESTIMATES	FRC OVERAGE (SHORTAGE)
SALES	\$6,146,900,000	\$6,214,493,000	\$67,593,000
GASOLINE	11,200,000	11,152,000	(48,000)
MOTOR FUEL	3,400,000	3,393,000	(7,000)
GAS INSPECTION	19,000,000	18,993,000	(7,000)
MOTOR VEHICLE REG	49,600,000	49,352,000	(248,000)
INCOME	119,200,000	138,617,000	19,417,000
PRIVILEGE	283,500,000	303,544,000	20,044,000
GROSS RECEIPTS - TVA	131,600,000	131,474,000	(126,000)
GROSS RECEIPTS - OTHER	17,600,000	17,727,000	127,000
BEER	11,900,000	12,135,000	235,000
ALCOHOLIC BEVERAGE	31,700,000	32,200,000	500,000
FRANCHISE & EXCISE	1,251,100,000	1,301,300,000	50,200,000
INHERITANCE	84,000,000	74,128,000	(9,872,000)
TOBACCO	121,000,000	126,500,000	5,500,000
MOTOR VEHICLE TITLE FEES	8,700,000	8,468,000	(232,000)
MIXED DRINK	24,600,000	25,875,000	1,275,000
BUSINESS	119,400,000	121,881,000	2,481,000
SEVERANCE	400,000	471,000	71,000
AMUSEMENT	300,000	350,000	50,000
UNAUTHORIZED SUBSTANCE	100,000	1,000,000	900,000
TOTAL	\$8,435,200,000	\$8,593,053,000	\$157,853,000
FRC STAFF GEN FUND EST. COMPARED WITH FEB '06 EST:			FRC OVERAGE (SHORTAGE)
SALES	\$6,146,900,000	\$6,214,493,000	\$67,593,000
FRANCHISE & EXCISE	1,251,100,000	1,301,300,000	50,200,000
ALL OTHER TAXES	1,037,200,000	1,077,260,000	40,060,000
TOTAL	\$8,435,200,000	\$8,593,053,000	\$157,853,000

**SCHEDULE SHOWING FISCAL REVIEW STAFF
REVENUE ESTIMATES FOR ALL FUNDS AND THE GENERAL FUND
FISCAL YEAR 2006-07**

REVENUE SOURCE	ALL FUNDS FY06-07	GENERAL FUND FY06-07
SALES & USE TAX	\$6,801,674,000	\$6,499,680,000
GASOLINE TAX	606,082,000	11,273,000
MOTOR FUEL TAX	180,340,000	3,426,000
GASOLINE INSPECTION TAX	65,114,000	19,196,000
MOTOR VEHICLE REGISTRATION TAX	260,280,000	50,338,000
INCOME TAX	202,803,000	146,201,000
PRIVILEGE TAX	315,686,000	315,686,000
GROSS RECEIPTS TAX - TVA	227,381,000	134,428,000
GROSS RECEIPTS TAX - OTHER	21,788,000	18,489,000
BEER TAX	18,203,000	12,342,000
ALCOHOLIC BEVERAGE TAX	39,565,000	32,970,000
FRANCHISE & EXCISE TAX	1,514,306,000	1,330,206,000
INHERITANCE TAX	75,240,000	75,240,000
TOBACCO TAX	125,868,000	125,868,000
MOTOR VEHICLE TITLE FEES	11,503,000	8,803,000
MIXED DRINK TAX	50,231,000	27,029,000
BUSINESS TAX	125,842,000	125,842,000
SEVERANCE TAX	1,716,000	490,000
AMUSEMENT TAX	300,000	300,000
UNAUTHORIZED SUBSTANCE TAX	1,000,000	1,000,000
TOTAL	\$10,644,922,000	\$8,938,807,000
GENERAL FUND INCREASE OVER FRC ESTIMATE FOR FY05-06		\$345,754,000

COMPARISON OF 2006-07 GENERAL FUND ESTIMATES

TAX	F&A FEB'06 ESTIMATES	FRC STAFF ESTIMATES	FRC OVERAGE (SHORTAGE)
SALES	\$6,441,500,000	\$6,499,680,000	\$58,180,000
GASOLINE	11,300,000	11,273,000	(27,000)
MOTOR FUEL	3,500,000	3,426,000	(74,000)
GAS INSPECTION	19,400,000	19,196,000	(204,000)
MOTOR VEHICLE REG	50,100,000	50,338,000	238,000
INCOME	126,300,000	146,201,000	19,901,000
PRIVILEGE	286,000,000	315,686,000	29,686,000
GROSS RECEIPTS - TVA	134,800,000	134,428,000	(372,000)
GROSS RECEIPTS - OTHER	18,500,000	18,489,000	(11,000)
BEER	12,000,000	12,342,000	342,000
ALCOHOLIC BEVERAGE	32,000,000	32,970,000	970,000
FRANCHISE & EXCISE	1,264,300,000	1,330,206,000	65,906,000
INHERITANCE	84,000,000	75,240,000	(8,760,000)
TOBACCO	121,000,000	125,868,000	4,868,000
MOTOR VEHICLE TITLE FEES	9,100,000	8,803,000	(297,000)
MIXED DRINK	26,100,000	27,029,000	929,000
BUSINESS	124,300,000	125,842,000	1,542,000
SEVERANCE	400,000	490,000	90,000
AMUSEMENT	300,000	300,000	-
UNAUTHORIZED SUBSTANCE	100,000	1,000,000	900,000
TOTAL	\$8,765,000,000	\$8,938,807,000	\$173,807,000